

BEFORE THE COMMISSIONER OF POLITICAL PRACTICES
OF THE STATE OF MONTANA

In the matter of the proposed)	
amendment of ARM 44.10.335 and)	NOTICE OF PUBLIC HEARING ON
44.10.336, and the proposed adoption)	PROPOSED AMENDMENT AND
of New Rules I through IX, all related to)	ADOPTION
constituent services accounts)	

TO: All Concerned Persons

1. On April 21, 2008, at 1:30 p.m., a public hearing will be held in the Old Supreme Court Chambers, Room 303 of the State Capitol, Helena, Montana, to consider the proposed amendment and adoption of the above-stated rules.

2. The Commissioner of Political Practices will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the Commissioner of Political Practices no later than 5:00 p.m. on April 7, 2008, to advise us of the nature of the accommodation that you need. Please contact Mary Baker, Program Supervisor, Office of the Commissioner of Political Practices, P.O. Box 202401, 1205 Eighth Avenue, Helena, Montana 59620-2401; telephone (406) 444-2942; fax (406) 444-1643; e-mail mabaker@mt.gov.

3. The rules as proposed to be amended provide as follows, stricken matter interlined, new matter underlined:

44.10.335 DISPOSAL OF SURPLUS CAMPAIGN FUNDS (1) through (5) remain the same.

(6) A candidate or eligible elected official shall abide by the prohibitions on the use of surplus campaign funds specified in 13-37-240, and 13-37-402, MCA, ARM 44.10.336, the provisions of this rule, and the rules in this chapter.

(a) For purposes of the restrictions on the disposal of surplus campaign funds set forth in 13-37-240, MCA, "personal benefit" is defined in 13-37-240(2), MCA. For the purposes of this definition, a candidate's or an eligible elected official's "immediate family" includes the candidate's spouse and minor children only any individual related or connected to a candidate or an eligible elected official as specified in 2-2-303(1), MCA.

(b) For purposes of the restrictions on the disposal of surplus campaign funds set forth in 13-37-240, MCA, "campaign" means any organized effort to secure support or prevent oppose the nomination or election of a candidate for public office, or secure support or prevent oppose passage of a ballot issue.

(c) The following are examples of permissible uses of surplus Surplus campaign funds, including surplus campaign funds deposited in a constituent services account and any interest accrued as provided in [NEW RULE VIII], may only be disbursed as follows:

(i) ~~Return the funds to the contributor~~ contributors, so long as the funds ~~refund to contributors will not result in violate the~~ personal benefit or a contribution to a campaign contribution provisions of 13-37-240 and 13-37-402, MCA, ARM 44.10.336, or the rules in this chapter;

(ii) ~~Donation of Donate~~ the funds to any organization or entity, so long as the use of the funds will not ~~result in violate the~~ personal benefit or a contribution to a campaign contribution provisions of 13-37-240 and 13-37-402, MCA, ARM 44.10.336, or the rules in this chapter;

(iii) ~~Upon election, use of~~ An elected official other than an eligible elected official may transfer the funds to ~~establish~~ an account to serve a public purpose related to the officeholder's public duties, so long as the funds will not result in personal benefit or a contribution to a campaign;

(iv) An eligible elected official may transfer the funds to a constituent services account provided for in Title 13, chapter 37, part 4, MCA, and the rules in this chapter.

(7) A candidate or an eligible elected official shall not contribute surplus campaign funds to a political committee, including a leadership political committee maintained by a political officeholder. However, nothing in this subsection shall be construed as prohibiting the contribution of surplus campaign funds to a political party or a political party committee, so long as the funds are not earmarked for a specific campaign.

(8) remains the same.

AUTH: 13-37-114, MCA

IMP: 13-37-240, MCA

44.10.336 PERSONAL BENEFIT (1) Pursuant to 13-37-240, MCA, the term "direct or indirect benefit" means the distribution of all or any portion of surplus campaign funds, including surplus campaign funds deposited in a constituent services account, that benefit only the a candidate, an eligible elected official, or a member of the a candidate's or an eligible elected official's immediate family, except as specifically authorized by this rule or the rules in this chapter.

(2) ~~Nothing in this rule prohibits the distribution of surplus~~ Surplus campaign funds or constituent services account funds may be donated to a group of individuals or an organization to which the candidate or an eligible elected official, or a member of the candidate's or an eligible elected official's immediate family belongs or is a member, as long as:

(a) ~~the~~ The candidate, an eligible elected official, or a member of ~~the a~~ candidate's or an eligible elected official's immediate family do not control how the group or organization spends the surplus campaign funds or constituent services account funds received by the group or organization;

(b) The candidate, an eligible elected official, or a member of the candidate's or the eligible elected official's immediate family abstains from voting on or taking any action to approve or disapprove a decision by the group or organization to spend the surplus campaign funds or constituent services account funds received by the organization; and

(c) the The candidate, an eligible elected official, or a member of the candidate's or an eligible elected official's immediate family receive a benefit that is only incidental to their membership or participation within the group or organization. A benefit is "incidental" if a benefit bestowed on or available to a candidate, an eligible elected official, or a member of a candidate's or an eligible elected official's immediate family is the same as a benefit bestowed on or available to the public or other members of the group or organization.

(3) Surplus campaign funds or constituent services account funds may be donated to a government entity under ARM 44.10.335(6)(c)(ii), even if the candidate, an eligible elected official, or a member of the candidate's or an eligible elected official's immediate family is an employee of the government entity or serves on the government entity's policy making or advisory board, as long as:

(a) The candidate, an eligible elected official, or a member of a candidate's or an eligible elected official's immediate family does not control how the government entity spends the surplus campaign funds or constituent services account funds received;

(b) The candidate, an eligible elected official, or a member of the candidate's or the eligible elected official's immediate family abstains from voting on or taking any action to approve or disapprove a decision by the government entity to spend the surplus campaign funds or constituent services account funds received; and

(c) The candidate, an eligible elected official, or a member of the candidate's or an eligible elected official's immediate family receives a benefit that is only incidental to their employment by or participation as a board member. A benefit is "incidental" if a benefit bestowed on or available to a candidate, an eligible elected official, or a member of a candidate's or an eligible elected official's immediate family is the same as a benefit bestowed on or available to the government entity's other employees or board members.

AUTH: 13-37-114, MCA

IMP: 13-37-240, MCA

REASONABLE NECESSITY: The amendments to ARM 44.10.335 and 44.10.336 are necessary to ensure that these existing rules are consistent with the 2007 legislation enacting 13-37-401 and 13-37-402, MCA, the prohibitions governing the use of surplus campaign funds under 13-37-240, MCA, and New Rules I through IX regarding constituent services accounts. These rules clarify and clearly delineate appropriate uses and disposition of surplus campaign funds.

Section 13-37-240, MCA, was approved by the voters as part of I-118 and contains two unequivocal prohibitions: (1) surplus campaign funds cannot be contributed to "another campaign, including the candidate's own future campaign" or (2) used for "personal benefit." The term "personal benefit" is broadly defined in 13-37-240(2), MCA, to mean "a direct or indirect benefit of any kind to the candidate or any member of the candidate's immediate family." The 2007 Legislature reaffirmed the 1994 electorate's commitment to 13-37-240, MCA, and expressly limited the use of constituent services account funds to providing constituent services. See 13-37-401(2) and 13-37-402, MCA. Consistent with the personal benefit prohibitions of 13-

37-240 and 13-37-402, MCA, two major amendments are proposed to ARM 44.10.335:

Amendments to subsection (6)(a) broaden the definition of immediate family to include the same family members who cannot be hired by an elected official under Montana's nepotism statute, 2-2-301, MCA. The current rule definition of "immediate family" was adopted in 1994 and based on a statutory definition of the same term that has since been repealed. See 5-7-213, MCA (1993), and the current language of 2-2-106, MCA. The immediate family amendments prohibit an eligible elected official from using surplus campaign funds to benefit the same family members who could not be hired to work in the eligible elected official's public office. These amendments are necessary because constituent services accounts can only be created to provide services to constituents as part of an elected official's public duties and such funds cannot be used to circumvent the personal benefit prohibitions of 13-37-240, MCA, and Montana's nepotism laws.

Amendments to ARM 44.10.336 further define permissible circumstances under which surplus campaign funds can be donated to a group or organization of which a candidate, an eligible elected official, or a member of a candidate's or eligible elected official's immediate family is a member. The amendments are necessary to clarify conduct that is acceptable under 13-37-240 and 13-37-402, MCA.

4. The rules proposed to be adopted provide as follows:

NEW RULE I DEFINITIONS For the purposes of Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and this chapter:

(1) "Compensation" includes all direct or indirect payments of salaries, fees, wages, and benefits to an individual or a person to provide constituent services. The term includes all payments made to an individual or a person to provide constituent services on behalf of an eligible elected official, including but not limited to, payments for overtime, compensatory time, retirement, health insurance, membership fees for social, civic, and professional organizations, life insurance, professional liability insurance, unemployment or worker's compensation insurance, personal use of a vehicle, rental car payments, disability insurance, travel, meal, and lodging reimbursement, and other benefits.

(2) "Constituent" means an individual who resides in, is employed in, provides goods or services in, attends school in, or has an ownership interest in property or a business in the district or geographic area represented by an eligible elected official.

(3) "Constituent services" has the meaning generally defined in 13-37-401(1), MCA, and more specifically defined in [NEW RULE V].

(4) "Constituent services account" means an account established under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter.

(5) "Eligible elected official" means an individual elected or appointed to a statewide office, the Public Service Commission, or the Legislature.

(6) "In-kind donation" means the furnishing of services, property, equipment, supplies, rights, or anything of value without charge or at a charge which is less than

fair market value to an eligible elected official for the purpose of providing constituent services.

(7) "Leaves public office" means that an eligible elected official ceases to occupy the public office for which a constituent services account has been established. The term does not include an eligible elected official who is re-elected to the same public office.

(8) "Pre-existing account" means an account related to a public official's office that existed before May 14, 2007 (the effective date of 13-37-401 and 13-37-402, MCA).

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE II APPLICABILITY OF RULES (1) All of the rules in this chapter apply to a constituent services account established by an eligible elected official under Title 13, chapter 37, part 4, MCA, and 13-37-240, MCA, on or after May 14, 2007.

(2) Only the personal benefit and campaign contribution prohibitions in 13-37-240 and 13-37-402, MCA, and [NEW RULE IV(1)(b), (1)(d), (1)(f)], ARM 44.10.335, and 44.10.336 apply to:

(a) a pre-existing account in which surplus campaign funds have been deposited;

(b) an account related to an elected official's office if the elected official has been elected to any public office other than the public offices listed in [NEW RULE III] and surplus campaign funds have been deposited in the account; or

(c) the expenditure of surplus campaign funds by a candidate or an elected official.

(3) The following provisions of Montana law may also apply to the use or expenditure of surplus campaign funds, constituent account funds, or other funds deposited in or expended from accounts related to an elected official's public office:

(a) the Montana Code of Ethics, 2-2-101, et seq., MCA, including the provisions governing the receipt of gifts of substantial value and the receipt of fees or compensation other than the official compensation provided by law;

(b) the provisions of Title 13, chapter 35, part 2, MCA, concerning the improper influence of voters before and after an election and the prohibition against corporate contributions to candidates;

(c) the provisions of Title 13, chapter 37, part 2, MCA; and

(d) the provisions of Title 5, chapter 7, MCA.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE III ELIGIBLE ELECTED OFFICIALS (1) An individual elected to any of the following public offices may transfer surplus campaign funds to a constituent services account created under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter:

(a) Governor;

- (b) Lieutenant Governor;
- (c) Attorney General;
- (d) Secretary of State;
- (e) State Auditor;
- (f) Superintendent of Public Instruction;
- (g) Chief Justice or Justice of the Supreme Court;
- (h) Clerk of the Supreme Court;
- (i) Public Service Commission; or
- (j) The Montana House of Representatives or Senate.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE IV PROHIBITIONS (1) The following prohibitions apply to a constituent services account established under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, ARM 44.10.335 and 44.10.336, and the rules in this chapter:

(a) An eligible elected official may not establish any other account related to the eligible elected official's public office after May 14, 2007, except for a campaign account.

(b) Only surplus campaign funds as defined in ARM 44.10.335(2) may be deposited in a constituent services account established under Title 13, chapter 37, part 4, MCA, and the rules in this chapter, except for the payment of interest as provided in [NEW RULE VIII]. An eligible elected official may not:

(i) deposit funds from a pre-existing account or any other account related to the eligible elected official's public office, including funds in a leadership political committee account, into a constituent services account established under Title 13, chapter 37, part 4, MCA;

(ii) solicit or receive cash or anything of monetary value for deposit in a constituent services account or to provide constituent services; or

(iii) solicit or receive an in-kind donation to provide constituent services.

(c) A constituent services account established under Title 13, chapter 37, part 4, MCA, may only be used to provide constituent services.

(d) Constituent services account funds may not be used for personal benefit as specified in 13-37-240 and 13-37-402, MCA, ARM 44.10.335, ARM 44.10.336, and the rules in this chapter. Constituent services account funds may not be used to pay compensation to an eligible elected official or a member of an eligible elected official's immediate family except as expressly provided in the rules in this chapter.

(e) Expenditures cannot be made from a constituent services account if the eligible elected official has an open campaign account for any elective office, including an elective office other than the office currently held. However, constituent services account funds may be used to pay for constituent services provided or expenses incurred to provide constituent services before the date upon which a campaign account was opened if payments for such services or expenses are supported by written documentation as provided in [NEW RULE VII].

(f) Constituent services account funds may not be contributed to another ballot issue or candidate campaign, including the eligible elected official's own future campaign.

- (2) Subsections (1)(d) and (1)(f) apply to:
 - (a) a pre-existing account in which surplus campaign funds have been deposited; or
 - (b) the expenditure of surplus campaign funds by any elected official described in [NEW RULE II(2)(b)].

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE V AUTHORIZED EXPENDITURES (1) A constituent services account established under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter, may be used to pay for the following expenses incurred to provide constituent services:

- (a) communications with constituents or on behalf of constituents, including but not limited to, printing, postage, paper, internet, facsimile, delivery, or other costs incurred to communicate with or on behalf of constituents. Communication costs do not include payment for public advertisements or public announcements of any kind unless such public advertisements or announcements are limited to publicly announcing the date, time, place, and general purpose of a meeting in an eligible elected official's district at which the public will be allowed to participate in a public discussion of matters of interest to an eligible elected official's constituents;
- (b) travel, meal, and lodging expenses as provided in (2);
- (c) equipment and supplies as provided in (3) and (4);
- (d) office expenses related to the lease or purchase of office space as provided in (3) and (4);
- (e) utility costs associated with the use of equipment, supplies, and office space to provide constituent services;
- (f) compensation paid to an individual, other than an eligible elected official or a member of an eligible elected official's immediate family; and
- (g) any other expenses incurred to provide constituent services subject to the requirements and prohibitions of the rules in this chapter.

(2) Constituent services account funds may be used to pay travel, meal, and lodging expenses subject to the following:

- (a) An eligible elected official may be reimbursed for travel, meal, and lodging expenses incurred to provide constituent services at the rates and reimbursement levels specified in Title 2, chapter 18, part 5, MCA, and applicable rules adopted by the Department of Administration.
- (b) An individual, other than a member of an eligible elected official's immediate family, may be reimbursed for travel, meal, and lodging expenses incurred under a written agreement with an eligible elected official to provide constituent services if such reimbursement does not exceed the rates and reimbursement levels specified in Title 2, chapter 18, part 5, MCA, and applicable rules adopted by the Department of Administration.
- (c) A member of an eligible elected official's immediate family may not be reimbursed for travel, meal, and lodging expenses incurred to provide constituent services.

(3) If constituent services account funds are used to purchase office space, equipment, or supplies, the office space, equipment, or supplies purchased with constituent account funds must be used exclusively to provide constituent services. When an eligible elected official leaves public office, any office space, equipment, or unused supplies purchased with constituent account funds must be disbursed as provided in ARM 44.10.335(6)(c).

(4) If constituent services account funds are used to reimburse an eligible elected official or a person, other than a member of an eligible elected official's immediate family, for office space, equipment, or supplies used, in whole or in part, to provide constituent services, all reimbursement payments and the basis for such payments must be documented in writing as provided in [NEW RULE VII]. Any reimbursement for office space, equipment, or supplies must be based on the fair market value of the office space, equipment, and supplies used to provide constituent services.

(5) Nothing in this rule authorizes constituent services account funds to be used or expended in violation of the prohibitions in [NEW RULE IV], ARM 44.10.335 and 44.10.336, 13-37-240, MCA, or Title 13, chapter 37, part 4, MCA.

(6) Constituent services account funds may not be used to pay:

(a) compensation to an eligible elected official for time spent or services rendered to provide constituent services, except as expressly provided in the rules in this chapter;

(b) compensation or any other payment to a member of an eligible elected official's immediate family for time spent or services rendered to provide constituent services;

(c) the cost of polls or public opinion surveys designed or intended to determine the attitudes and opinions of constituents or the public. However, nothing in this subsection prohibits an eligible elected official from encouraging a constituent to express an opinion about matters of interest to the constituent or matters that may be the subject of official action by the eligible elected official;

(d) the cost of all or any portion of an event, meeting, fundraiser, or gathering at which contributions as defined in 13-1-101(7), MCA, will be solicited or received by any person, including but not limited to, a political party, political party committee, candidate, or person or political committee supporting or opposing a candidate or ballot issue;

(e) any direct or indirect travel, lodging, meals, entertainment, or other expenses related to the sponsorship of, attendance at, or participation in an event, meeting, fundraiser, or gathering at which contributions as defined in 13-1-101(7), MCA, will be solicited or received by any person, including but not limited to, a political party, political party committee, candidate, or a person or political committee supporting or opposing a candidate or ballot issue;

(f) any direct or indirect expenditure to support or oppose a candidate or ballot issue;

(g) the cost of entertaining constituents or any other individual or person. However, nothing in this subsection prohibits an eligible elected official from using constituent services account funds to pay for food or drink provided at a publicly announced or publicly advertised meeting held for the general purpose of allowing constituents to participate in a public discussion of matters of interest to the

constituents or an eligible elected official. The expenditures for food and drink at such a meeting must not be lavish or extravagant; and

(h) travel, meals, or lodging expenses incurred by a constituent or any individual other than an individual who has a written agreement to provide constituent services on behalf of an eligible elected official.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE VI OPENING AN ACCOUNT (1) An eligible elected official may establish a constituent services account under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter, by filing a completed constituent services account form provided by the commissioner. The form shall require an eligible elected official to disclose and provide, as a minimum, the following:

(a) the name and elective office held by the eligible elected official establishing the constituent services account;

(b) the district or geographic area represented by the eligible elected official;

(c) the full name, mailing address, and telephone number that appears on the constituent services account;

(d) the full name and mailing address of any individual other than the eligible elected official who is authorized to make expenditures from the account (the eligible elected official establishing the account must be one of the signatories on the account);

(e) the full name, mailing address, and telephone number that appears on the campaign account from which surplus campaign funds are being transferred for deposit in the constituent services account;

(f) the full name, mailing address, and telephone number of the financial institution at which the constituent services account has been established;

(g) a copy of the closing report for the campaign account from which surplus campaign funds are being transferred for deposit in the constituent services account;

(h) the amount of surplus campaign funds being deposited in the constituent services account;

(i) if all of the surplus campaign funds in the closed campaign account will not be deposited in the eligible elected official's constituent services account, the full name and mailing address of each contributor or entity receiving any portion of the surplus campaign funds pursuant to ARM 44.10.335(6)(c)(ii); and

(j) for each payment of surplus campaign funds to a contributor or entity under the preceding subsection, the date on which the payment was made.

(2) The form must be signed by the eligible elected official and verified as required by 13-37-231(1), MCA.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE VII RECORDS AND REPORTING (1) An eligible elected official who establishes a constituent services account under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter, must file quarterly

reports with the commissioner's office after an account is opened. Reports must be filed on or before March 15, June 15, September 15, and December 15 in each calendar year until the account is closed as provided in [NEW RULE IX]. A report must be filed even if no expenditures have been made during the reporting period. The reports must include all expenditures made and interest accrued within ten days of the date on which the quarterly report is due.

(2) Each report must contain, as a minimum, the following:

(a) the amount of money in the account at the beginning of the reporting period;

(b) the amount and rate of interest paid on money in the account during the reporting period pursuant to [NEW RULE VIII];

(c) the full name, mailing address, occupation, and principal place of business (if any) of each person to whom expenditures have been made during the reporting period, including the amount, date, and general statement describing the constituent services that were the basis for the expenditure, and the total amount of expenditures made to each person; and

(d) the amount of money in the account at the end of the reporting period.

(3) Each report must be signed by the eligible elected official and verified as required by 13-37-231(1), MCA.

(4) An eligible elected official must maintain the following additional written documentation for each expenditure from a constituent services account:

(a) The basis for any fair market value determination to be made under the rules in this chapter.

(b) A written log or other documents identifying the date on which constituent services were provided, the street address, city, and county at which the constituent services were provided, a statement describing the constituent services provided, and the full name and mailing address of at least one constituent on whose behalf the constituent services were provided.

(c) If the expenditure involves payments to a person other than the eligible elected official, a written receipt or invoice from the payee.

(d) If the expenditure involves reimbursement for travel, meal, or lodging expenses, such reimbursement must be based on receipts or other written documentation that satisfies applicable requirements of Title 2, chapter 18, part 5, MCA, and rules adopted by the Montana Department of Administration.

(e) If the expenditure involves costs incurred to communicate with constituents, such expenditures must be based on receipts or other written documentation itemizing the basis for the communication expenditure.

(5) An eligible elected official may establish only one constituent services account and no secondary depositories or subaccounts may be established.

(6) All records and reports that must be filed or maintained under the rules in this chapter must be retained by the eligible elected official for a period of four years after the constituent services account is closed.

AUTH: 13-37-114, MCA

IMP: 13-37-401, 13-37-402, MCA

NEW RULE VIII INTEREST PAID ON ACCOUNTS (1) Interest paid on a constituent services account established under Title 13, chapter 37, part 4, MCA, 13-37-240, MCA, and the rules in this chapter, may be received and used to provide constituent services if:

- (a) the interest is deposited directly into the constituent services account;
- (b) the interest is paid by a bank, savings and loan, credit union, brokerage firm, or other financial or investment entity subject to regulation by the state of Montana or an agency of the United States government; and
- (c) the interest paid is the entity's prevailing money market, savings, or certificate of deposit rate paid to other investors or depositors with similar interest bearing accounts.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

NEW RULE IX CLOSING AN ACCOUNT – DISBURSEMENT OF SURPLUS ACCOUNT FUNDS (1) An eligible elected official must close a constituent services account within 120 days after leaving public office as defined in [NEW RULE I(7)]. The closing report must be filed on a form to be provided by the commissioner.

(2) A closing report must disclose the full name and mailing address of each contributor or entity receiving all or any portion of the funds in a constituent services account pursuant to ARM 44.10.335(6)(c)(ii). The closing report must also disclose the date on which the payment was made to each contributor or entity.

AUTH: 13-37-114, MCA
IMP: 13-37-401, 13-37-402, MCA

REASONABLE NECESSITY: New Rules I through IX are necessary to establish clear and consistent requirements for the creation and use of constituent services accounts and to implement the provisions of 13-37-401 and 13-37-402, MCA, enacted by the 2007 Montana Legislature. Montana's Code of Ethics declares that "holding public office ... is a public trust, created by the confidence that the electorate reposes in the integrity of public officers, legislators, and public employees" and that elected officials and public employees "shall carry out the individual's duties for the benefit of the people of the state." 2-2-103(1), MCA. The 2007 constituent services account legislation and 13-37-240, MCA, are consistent with the people's expectations in the Code of Ethics. However, new rules are necessary to provide guidance regarding the edicts in 13-37-240 and 13-37-402, MCA, including reporting requirements and policies governing the expenditures from constituent services accounts, the opening and closing of constituent services accounts, and the maintenance of necessary records.

5. Interested persons may present their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to Dennis Unsworth, Commissioner of Political Practices, P.O. Box 202401, 1205 Eighth Avenue, Helena, Montana 59620-2401, or be submitted

electronically to dunsworth@mt.gov, and must be received no later than May 5, 2008.

6. The Commissioner of Political Practices maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their names added to the list shall make a written request which includes the name and mailing address of the person to receive notice. Such written request may be mailed or delivered to the Commissioner of Political Practices at P.O. Box 202401, 1205 Eighth Avenue, Helena, MT 59620-2401, or faxed to (406) 444-1643, or may be made by completing a request form at any rules hearing held by the Commissioner of Political Practices.

7. Dennis Unsworth will preside over and conduct the hearing.

8. The bill sponsor notice requirements of 2-4-302, MCA, apply and have been fulfilled. Notice was sent to primary sponsor on February 28, 2008 via e-mail.

/s/ Jim Scheier
Jim Scheier
Rule Reviewer

/s/ Dennis Unsworth
Dennis Unsworth
Commissioner of
Political Practices

Certified to the Secretary of State March 3, 2008.